

March 29, 2003

ALCOHOLIC BEVERAGE NOTICE – CHAIN STORE OPERATIONS

On December 10, 2003 the Department held a duly noticed hearing to receive public comment relevant to the definition of a “chain store organization or operation” pursuant to the dictates of R.I.Gen.Law §3-5-11(b). The Department received information and comment at the hearing on the issue for the purpose of drafting a regulation pursuant to its rulemaking authority set forth in R.I.Gen.Law §3-5-20. During the hearing, the Department received comments from alcoholic beverage licensees and the general public. Thereafter, the Department also received written post-hearing comments from a number of interested parties.

Also in November of 2003, the Department received correspondence from a member of the leadership of the House of Representatives of the State of Rhode Island requesting the Department refrain from promulgating any regulations in this particular area at this time because of the expectation that the issue would be subject to a full legislative hearing process at the General Assembly, through legislation that would be introduced. The letter concluded that the legislative solution would be the best avenue for addressing chain store issues that are important to many independent businessmen.

In January of 2004 a number of bills were introduced in the legislature which address issues related to the operation of chain stores. Many of these issues were the subject of discussion at the public hearing held at the Department on December 10, 2003. If any of these bills were to be enacted, it would have the effect of amending R.I.Gen.Law §3-5-11.

Therefore, in order to avoid redundancy at the regulatory level, or a potential conflict between any bill passed and any regulation that might be promulgated, the Department has decided to postpone promulgating a regulation addressing “chain store organization or operation” issues within the meaning of R.I.Gen.Law §3-5-11(b) until the General Assembly has had an opportunity to address the issue.